

THE MINUTES OF THE WARRANT COMMITTEE MEETING MARCH 3, 2004

Handout(s) given out tonight:

1. *NONE*

Members absent: G. Tillotson

Also present: Selectman Anne Marie Mahoney, Selectman Paul Solomon, Town Administrator Mel Kleckner, Assistant Town Administrator Joyce Munro, Town Accountant Barbara Hagg, and School Director of Finance & Administration Dr. Gerry Missal

Chairman Widmer called the meeting to order at 7:41 PM.

Acceptance of Minutes

The Committee discussed and the minutes of the February 11, 2004 meeting.

- *Member Heigham made a motion, Member Oates seconded said motion, and the Committee unanimously voted to accept the minutes of the February 11, 2004 meeting.*

The Committee discussed and the minutes of the February 25, 2004 meeting.

- *Member Stratford made a motion, Member Heigham seconded said motion, and the Committee unanimously voted to accept the minutes as amended of the February 25, 2004 meeting.*

Reserve Fund Transfer – Woodfall Road

During a review of all Town property, Town Administrator Kleckner mentioned there were three parcels of land the Board of Selectmen focused on they thought prudent to pursue. Woodfall Road is the remaining and most lucrative of the properties discussed due to its location. There are legal issues that make it challenging. The Board of Selectmen have asked staff to see if we can look at different ways to access the property and make it available for development. Our Senior Planner has identified about \$10K in additional services regarding this issue.

Member Heigham opposes only part of it. One is part is for lawyers; one part is a real estate consultant. Town Counsel says there is no lawful access to this property. He sees no needs for real estate consultants or other services until we get the access problem legally cleared up. He is in favor of only the lawyer's half of the request. He also thinks that having looked at some of the other properties around there, we are probably going to get litigation about the access.

Member Flewelling asked how much is in the Reserve Fund. It was answered \$392K. Member Heigham moves we move \$5K for the legal services, not the whole \$10K. Member Brusch said if there are engineering issues, they could always come back for the additional funds.

- *Member Heigham made a motion, Member Brusch seconded said motion, and the Committee unanimously voted to transfer up to \$5,000 (for any and all access issues) from the Warrant Committee Reserve Fund to the Community Development Professional Services budget.*

FY05 Budget

Minuteman

Member Callanan discussed the possibility of an extra \$40K of assessment that was funded in the Minuteman budget. The most recent number, as of February 5, is \$556,945 a difference of \$40,118 that the assessment might be below the level funded budget. Our enrollment is up somewhat, and our assessment is down somewhat. Member Schafer added we would not know for sure the exact amount until the State's Budget is passed.

Member Oates asked about a state representative that was upset about the assessments. What happened to that representative and what happened to his mission? Member Callanan said they could not agree on the formula, so they are using the agreement from last March, which is the State formula based on municipal revenue growth. It does not take into account the enrollment figures.

Member Callanan said there are two pieces of legislation the Board of Selectmen voted on last week - Senate bills (S262 and S270). Their vote was contingent on the approval of the Educational Subcommittee. S270 allows non – district 9th graders access to vocational technical programs. S262 sets a tuition cap of 150% of statewide average for vocational spending. Under S270 students can attend Minuteman or any Chapter 74 Program that is NOT offered in the sending community. State Reps. Paulsen and Steve Tolman are supporting these bills.

Member Brusch asked about the over 100 students from Cambridge going to Minuteman free. Who is paying their tuition, and is this included in our assessment? Member Callanan said there were some students that Minuteman allowed to stay, but she is not sure if they are still in the system. She will check with Minuteman on that issue. The Subcommittee would like more time to review their recommendation.

Chairman Widmer brought the Committee up to date from last Saturday's budget meeting with the School Committee. He views this as a process, not a decision to be made tonight. Chairman Widmer explained that Dr. Holland went through an exercise of the priority sequencing if money was to be restored to the School Department. Those tiers will be reviewed in next week's Subcommittee Report.

Chairman Widmer reviewed the FY05 Budget process starting with the pro-forma budget to current. For planning purposes, a 52(Town)/48(School) split was used for the FY05 Budget only. Saturday morning spent most of the time talking about new and moving pieces that were different from the pro-forma. We got resolution on three of the four major differences. The items are:

- State Aid – The Governor proposes level funding from FY04. The amount at play is \$375K in surplus funds back to the Town. Chairman Widmer said we ended up planning for that unless they change the formula. We will plan on the \$375K in additional funds with the caveat that we have to have some planning on subtracting if that does not come through, either all or in part.

- There were four pieces in terms of the question of allocation between the Town and the Schools.

1. Chapter 90 (the State Highway Assistance directly to local roads) – There is about \$130K extra in Chapter 90 funds. Should we lump it in to the Highway directly or allocate it? Traditionally, the Town has taken the full amount and put it directly into the roads. The understanding of the group was that we would direct this to the roads and not include it in the Local Aid discussion. In the past, Chapter 90 was separate from the Capital Budget.

2. There was discussion about the decision to move the police cruisers of \$88K from the Operating Budget to the Capital Budget. There is agreement in what that means to the Capital Budget. This is a shift within the Town's 52%.

3. Town Administrator Kleckner had sent a letter to Dr. Holland on January 12, 2004 suggesting that consideration be given to the School assuming cost for three items (totaling \$79K), such liability insurance and others, that have been in the overall Town budget, should be moved to the School budget. There is agreement that it stay in FY05 with the Town, and next year it will be reviewed.

Member Bruschi agreed that the Saturday morning group felt the School Department should be held harmless, but it was not decided whether or not the Town would also be held harmless. It is her suggestion that the \$79K in costs related to School items come off the top of the additional State Aid.

4. There is no agreement on the final item. Town Administrator Kleckner said we had not included \$100K as Capital Endowment interest revenue. We have used some of those funds each year for the Capital Budget. Chairman Widmer asked the Warrant Committee how it feels about using the proceeds/investment earnings from the Capital Endowment on an ongoing basis. Town Accountant Hagg will get the original legislation of the Capital Endowment Fund and history on how we have used it in the past.

The extra \$100K was put into the Town's side of the budget. If it were included originally, presumably 48% of that would have ended up on the School side. There is some disagreement over this issue. Town Administrator Kleckner clarified the Capital Endowment Fund income should be used for capital budget purposes.

Member McCormick asked what occurred with the \$50K that was not used last year (\$50K of last year's \$100K in interest was allocated to the Capital Budget). Town Administrator Kleckner said it went back into the Capital

Endowment Fund. Member McCormick noted it would be prudent to retain some of that interest within the Fund.

Member Brusch also brought to the Committee the issue her Subcommittee has raised with consideration of fees. If we do go to a Revolving Fund for those fees, then that will not go back into general revenues. When we have the discussion next week, the revenue figures may change depending on what you call revenue. Member Brusch then asked for clarification on how much should the Capital Budget Committee consider at their meeting tomorrow night. Chairman Widmer answered the Capital Budget Committee can plan on the \$2.2 million budgeted plus the additional \$130K from State Aid, but be prepared to remove layers depending if we do not get back the entire \$130K.

Subcommittee Report

General Government (Town Clerk, Town Treasurer, Town Assessors, Town Accountant, Human Resources, and the Board of Selectmen)

Member Heigham requested that each department have a totals page of their budget and their staffing levels in the Budget worksheet for next year.

Town Clerk (\$135K total budget)

The Town Clerk administrates all the elections. They collect about \$50K/year, which goes into the General Fund. They can also give passports, which will increase fees. There are no major budget issues, except the three registrars are each paid \$1500/year and eligible for benefits. It is been suggested by the Town Clerk that be put over to an hourly basis.

Member Hofmann thinks we need to look at the Board of Registrars legislation to see if we can put all on an hourly basis. Member Heigham noted the Subcommittee was careful not to make a recommendation on that issue.

Treasurer (\$516K total budget)

Treasurer Freiner is also the Parking Clerk. The personnel are 6 full-time, and three part-time staff. She is asking for a 6% increase due to accounting, health, steps, and somewhat increased expenses due to quarterly tax billing. The fees collected should also stay in the General Fund.

Member Stratford pointed out the Treasurer's salary is scheduled to go up 5%, and the Town Clerk is scheduled to go up 1%.

Assessors (\$330K total budget)

This department is consistent with prior years with no major changes.

Town Accountant (\$230K total budget)

The Town Accountant has improved paying the bills to a weekly basis. There are two full-time, and two part-time employees. There are increased expenses due to step, health insurance allocation, and GASB 34. There are requests to restore intern hours and

professional services. Next year, the Town Accountant will be requesting one of the part-timers be made full time.

Human Resources (\$186K total budget)

Its function is to give employment support services, administer benefits, and administer the classification plans. The new Director has assisted in grievances and collective bargaining. There are two full-time and one part-time. The Director wants the one part-timer made full-time.

Board of Selectmen (broken down into five categories)

The very small Community Relations and Boards and Commissions (budget about \$20K each) should be pulled back into the General Management budget. They would like to get an intern that is a recent Masters in Public Administration graduate. The strain on the full-time people is great. They will need more assistance soon.

The IT budget is about \$150K with two full-time people. There are no specific requests for an increased budget. Some growth in that department is inevitable.

The proposed Legal Services budget is \$335K. Long-term Town Counsel has resigned, and he was charging “abnormally low” rates. We have to face the fact we are getting more and more legal problems. To some extent, lawyers are getting more expensive. One other thing that should be mentioned is that there is a separate Claims budget. There is no way to predict what claims will be settled. He recommends those claims come out of the Warrant Committee Reserve Fund.

The other department is Retirement, which is roughly \$3 million, and this is mandatory.

The Subcommittee recommended the Town is not too far from seriously considering a Town Manager, with more authority than Town Administrator Kleckner presently has. If this were done, we would think the Selectmen should be a policy maker, not a detail board.

Vice Chairman White asked if there could be any consolidation of those departments within General Government. Member Heigham answered that he does not think those departments are currently overlapping.

Member Brusch is very pleased on the Town Manager recommendation. We have been 12 or 13 years under the same form, and we are probably ready with the next step. With regard to the Legal Budget, do you have any recommendation as to what should be in the Budget considering Morrissey and Hawking will no longer be Town Counsel? Member Heigham said his understanding is that an RFP will be coming out after Town Meeting decides if Town Counsel should be a Town resident. He thinks it is inevitable the legal expenses are going up. Selectman Brownsberger added we are doing the RFP's with the disclosure on the resident/non-resident issue. Town Administrator Kleckner said our goal is to have Town Counsel chosen by the end of the fiscal year.

Member Brusch asked if we should be taking the average hours of our current Town Counsel and budget them at \$150 - \$200 per hour. Is there a financial advantage to the town to have a Town Counsel as a resident? Selectman Brownsberger said the RFP would determine that. You are not eliminating that low cost provider by allowing others to compete. Member Heigham thinks we ought to get some notion as to what we need to budget before we budget FY05's amount.

Member Schafer also added the efficiency factor for the job. Member Heigham clarified the Subcommittee's recommendation is that the Legal Budget should be the same as what was expended last year. Member Hofmann has a real problem with what is budget for FY05 and thinks we need to stop fooling ourselves on the Legal fees.

Member Hobbs thinks we should bid out specific services instead of the whole lump sum of Town Counsel. Town Administrator Kleckner answered we need to be flexible. We would like the opportunity to evaluate what different law firms will propose and what opportunities they have. Town Administrator Kleckner pointed out FY05's Legal budget is higher than this year.

Veterans

Member Kobus met with Bob Gardiner regarding Veterans department. There have been 30 to 40 inquiries for financial assistance, but none have qualified for financial assistance. It does not look like there is any financial burden for FY04. Mr. Gardiner would like \$445 for In-State Training is retained for the next person's training.

Member Flewelling made a motion, and it voted unanimously to adjourn the meeting at 9:26 PM.

Respectfully submitted,

Kristina E. Frizzell

Recording Clerk